



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	884 611 032
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	TENDEKA AS
Forretningsadresse:	Moseidveien 1 4033 STAVANGER

### Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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### Konsern

Morselskap i konsern:	Nei
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### Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	IFRS

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Alan Pearson
Dato for fastsettelse av årsregnskapet:	05.09.2024

### Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert  
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 16.07.2025



## Resultatregnskap

Beløp i: USD	Note	2023	2022
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Revenue	4	45 553 864	45 600 488
Other Income	8	1 874 740	0
<b>Sum inntekter</b>		<b>47 428 604</b>	<b>45 600 488</b>
<b>Kostnader</b>			
Cost of goods sold		39 237 903	39 280 383
Employee benefits expense	6	866 098	822 536
Depreciation and amortisation	12, 13, 14	104 039	184 754
Annen driftskostnad	5	3 566 362	3 363 774
<b>Sum kostnader</b>		<b>43 774 402</b>	<b>43 651 447</b>
<b>Driftsresultat</b>		<b>3 654 202</b>	<b>1 949 041</b>
<b>Finansinntekter og finanskostnader</b>			
Finance income	9	1 660 229	661 784
Foreign exchange gain/(loss)		107 173	-117 221
<b>Sum finansinntekter</b>		<b>1 767 402</b>	<b>544 563</b>
Finance costs	10	414 523	249 015
<b>Sum finanskostnader</b>		<b>414 523</b>	<b>249 015</b>
<b>Netto finans</b>		<b>1 352 879</b>	<b>295 548</b>
<b>Resultat før skattekostnad</b>		<b>5 007 081</b>	<b>2 244 589</b>
Income tax expense	11	1 124 769	495 213
<b>Årsresultat</b>		<b>3 882 312</b>	<b>1 749 376</b>
<b>Overføringer og disponeringer</b>			
Avgitt konsernbidrag		3 083 206	
Profit for the year		3 882 312	1 749 376
Group Tax Losses Contribution		-3 083 206	0
<b>Sum overføringer og disponeringer</b>		<b>3 882 312</b>	<b>1 749 376</b>



## Resultatregnskap

<b>Beløp i: USD</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
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### Balanse

Beløp i: USD	Note	2023	2022
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Intangible assets	14	295 254	450 313
<b>Sum immaterielle eiendeler</b>		<b>295 254</b>	<b>450 313</b>
<b>Varige driftsmidler</b>			
Property, plant and equipment	12	28 203	28 748
Right-of-use assets	13	76 047	114 732
<b>Sum varige driftsmidler</b>		<b>104 250</b>	<b>143 480</b>
<b>Sum anleggsmidler</b>		<b>399 504</b>	<b>593 793</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventories	15	16 667 854	8 083 075
<b>Sum varer</b>		<b>16 667 854</b>	<b>8 083 075</b>
<b>Fordringer</b>			
Trade and other receivables	16	10 732 440	15 665 388
Contract assets	18	3 406 202	2 167 199
Konsernfordringer	17	21 989 508	19 461 666
<b>Sum fordringer</b>		<b>36 128 150</b>	<b>37 294 253</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	19	11 374 892	4 309 018
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>11 374 892</b>	<b>4 309 018</b>
<b>Sum omløpsmidler</b>		<b>64 170 896</b>	<b>49 686 346</b>
<b>SUM EIENDELER</b>		<b>64 570 400</b>	<b>50 280 139</b>

### BALANSE - EGENKAPITAL OG GJELD

#### Egenkapital



### Balanse

Beløp i: USD	Note	2023	2022
<b>Innskutt egenkapital</b>			
Issued capital	26	25 586	25 586
Overkurs		3 044 871	3 044 871
<b>Sum innskutt egenkapital</b>		<b>3 070 457</b>	<b>3 070 457</b>
<b>Opptjent egenkapital</b>			
Retained earnings		13 309 490	12 510 384
<b>Sum opptjent egenkapital</b>		<b>13 309 490</b>	<b>12 510 384</b>
<b>Sum egenkapital</b>		<b>16 379 947</b>	<b>15 580 841</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	11	1 585 178	495 213
Lease liabilities	27	835	48 053
<b>Sum avsetninger for forpliktelser</b>		<b>1 586 013</b>	<b>543 266</b>
<b>Annen langsiktig gjeld</b>			
<b>Sum langsiktig gjeld</b>		<b>1 586 013</b>	<b>543 266</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	20	8 642 672	6 956 831
Tax (recoverable)/payable		0	144 225
Kortsiktig konserngjeld	21	23 916 824	17 287 937
Other loans	23	5 000 000	5 000 000
Lease liability	27	55 906	54 972
Contract liabilities	22	8 989 038	4 712 067
<b>Sum kortsiktig gjeld</b>		<b>46 604 440</b>	<b>34 156 032</b>
<b>Sum gjeld</b>		<b>48 190 453</b>	<b>34 699 298</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>64 570 400</b>	<b>50 280 139</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 746692

#### Enheten

Organisasjonsnummer: 884 611 032  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: TENDEKA AS  
Forretningsadresse: Moseidveien 1  
4033 STAVANGER

#### Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

#### Konsern

Morselskap i konsern: Nei

#### Regnskapsregler

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Benyttet ved utarbeidelsen av  
årsregnskapet til selskapet: IFRS

#### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Alan Pearson  
Dato for fastsettelse av årsregnskapet: 05.09.2024

#### Grunnlag for avgivelse

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Brønnøysundregistrene, 16.09.2024



Organisasjonsnr: 884 611 032  
TENDEKA AS

## RESULTATREGNSKAP

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Finance costs	10	414 523	249 015
<b>Sum finanskostnader</b>		<b>414 523</b>	<b>249 015</b>
<b>Netto finans</b>		<b>1 352 879</b>	<b>295 548</b>
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Organisasjonsnr: 884 611 032  
TENDEKA AS

## BALANSE

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<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
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<b>Opptjent egenkapital</b>			
Retained earnings		13 309 490	12 510 384
<b>Sum opptjent egenkapital</b>		<b>13 309 490</b>	<b>12 510 384</b>



<b>Sum egenkapital</b>		<b>16 379 947</b>	<b>15 580 841</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	11	1 585 178	495 213
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Organisasjonsnr: 884 611 032  
TENDEKA AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note  
2

#### Regnskapsprinsipper

Note  
2.2

Note  
6

Antall årsverk i regnskapsåret  
8.00

Note  
6

#### Spesifisering av resultatregnskapet

##### Lønnskostnader

Lønn	Årets	Fjorårets
	509563.00	597025.00
Folketrygdavgift	Årets	Fjorårets
	140467.00	117335.00
Andre ytelser	Årets	Fjorårets
	215978.00	108176.00
Sum lønnskostnader	Årets	Fjorårets
	866098.00	822536.00

##### Mer om årsverk og lønn

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. At the year end contributions of \$nil (2022: \$nil) were outstanding. Amounts recharged to the Company for services performed by Directors, paid by other group entities, amounted to \$171,971 (2022: \$454,446). The average monthly number of persons employed by the Company (including Directors) during the year was



as follows:

## Note

### Ekstraordinære inntekter og kostnader

<u>Sum</u>	<u>Beløp</u>
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler Immaterielle eiend.</u>

## Konsernregnskap

### Morselskapet sitt navn

### Forretningskontor for morselskapet

### Begrunnelse for at datterselskap er utelatt fra konsolideringen

### Konsern, tilknyttet selskap m.v. - fordringer og gjeld

#### Fordringer

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Pantstillelse</u>	<u>Beløp</u>	

## Note

<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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### Erverv

### Endringer i beholdning av aksjer i løpet av regnskapsåret

### Avhendelse

### Endringer i beholdning av aksjer i løpet av regnskapsåret



Samvirkeforetak

Vedtaksbestemmelser/årsmøtevedtak/forslag til vedtak om medlemskapskonti

Mer om aksjer

Note

28

Lån og sikkerhetsstillelse til medlemmer

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Opplysninger om:

Medlemmer av:

Mer om lån og sikkerhetsstillelse



## **Tendeka AS**

Company Number 884611032

### ***Annual financial report - for the year ended 31 December 2023***



## TENDEKA AS

### Contents

	Pages
Directors' report	1-3
Independent auditor's report	4-5
Statement of comprehensive income	6
Statement of financial position	7-8
Statement of changes in equity	9
Statement of cash flows	10
Notes to financial statements	11-30



## TENDEKA AS

### Board of Directors' report For the year ended 31 December 2023

The director presents the annual report and financial statements for the year ended 31 December 2023.

#### Nature of business and where it is run

Tendeka AS is a Stavanger based company that offers a wide range of completion products to the oil and gas industry. Tendeka AS is a wholly owned subsidiary of the parent company Tendeka Limited, which is headquartered in Westhill, Aberdeen.

The Company serves several operators on the Norwegian continental shelf. In the future, it will work to deliver existing agreements and at the same time create growth beyond these contracts through further development of existing products and commercialisation of new products.

#### Principal activities

The principal activity of the Company is the sale of oil and gas completion products and services. The majority of revenues were generated from the provision of products and services to third parties.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A J Pearson

B G Baker (resigned 28 February 2023)

#### Results and dividends

The results for the year are set out on page 6.

The director does not recommend the payment of a dividend in the year.

Turnover decreased by 0.1% from 2022 to \$45,553,864 (2022: \$45,600,488). Turnover has remained relatively static with planned projects being carried out and delivered in line with expectations, and stable number of customers and deliveries. Total operating expenses were \$43,774,402, which is in line with expectations, while profit before tax was \$5,007,081 This compares to a pre-tax profit of \$2,244,589 in 2022.

The value of assets is \$64,570,400 (2022: \$50,280,139), with the largest item being loans to Tendeka BV, an entity within the Group.

The value of bank deposits at the end of 2023 was \$11,374,892 (2022: \$4,309,018).

#### Future developments

Although there is a level of uncertainty when assessing future developments, the Company has had a stable turnover in recent years, and it is expected that activity will continue at a similar level in the years ahead.

Based on existing framework agreements that provide predictability and ongoing work, new projects and positive developments are expected over the next few years. It is the Company's opinion that the organization is structured in a way that will be able to provide a stable development in the coming years.

#### Going concern

The Board of Directors and the Managing Director confirm that the going concern assumption has been used as a basis for the presentation of the annual registry. In recent years, the Company has had stable development and has all the prerequisites to be able to continue positive development.



## TENDEKA AS

### Board of Directors' report (continued) For the year ended 31 December 2023

#### Financial risk

The Company's operations expose it to a variety of financial risks, which are monitored by risk management programmes that seek to limit potential adverse effects on its financial performance.

The Company's financial risk is primarily related to currency fluctuations. The consumption of goods, which represents the largest share of costs, consists partly of goods paid in Euros. The Company's foreign exchange strategy is to continuously assess the need to undertake currency hedging. The credit risk among the Company's customers is limited as the customers are considered large and stable companies. The liquidity risk is also considered very limited.

#### Research and development activities

Employees in Tendeka AS are involved in various research and development projects.

#### Working environment

Sick leave in the Company was 30 days in 2023 (2022: zero). This corresponds to 0.2% of the total working hours in the fiscal year. There were no serious work accidents or accidents during the year, either in the parent company or in the subsidiary.

The Board of Directors and the general manager believe that the working environment in the Company is satisfactory.

#### External environment

It is the Company's goal to operate as a group of environmentally friendly businesses. Production and operation have a limited impact on the external environment and are carried out in accordance with applicable guidelines and requirements.

#### Equality

4 out of 9 employees were women at the end of 2023 (2022: 2).

There were no temporary employees on the payroll during 2023 (2022: 0).

There is 1 male part time student employed during 2023 (2022:0).

There were no periods of parental leave taken during 2023 (2022:0)

During 2023, there are two manager roles within the company, which is occupied by both a male and female employee.

The remaining employees during 2023 relate to engineers (2023: 4 males) and project coordinators and administrators (2023: 3 females).

The Company's personnel policy is considered to be gender neutral in all areas. In our opinion, gender equality issues have been satisfactorily addressed, and no actions have been initiated nor are planned in this area. Nor has there been any feedback that the Company's personnel policy is perceived as sexist.

#### Non-discrimination and accessibility

It is the Company's opinion that no distinction is made between employees, or in hiring, because of gender, ethnicity, national origin, voting, skin colour, language or belief. All employees are treated equally with regards to hiring, promotion, development and training and this would be based on experience or performance of the individual employee, without any consideration for their gender or ethnicity. The company also feels it offers a flexible working environment where appropriate to the role and all staff achieve a good work life balance.



## TENDEKA AS

Board of Directors' report (continued)  
For the year ended 31 December 2023

### The Transparency Act

Statement according to the Transparency Act can be found on the Company's website [www.tq.com/resources](http://www.tq.com/resources).

### Insurance for directors and general manager

The Company is included in the Group's insurance, which covers Board and Board Member Liability, General Liability and Occupational Injury Insurance.

### Auditor

A resolution to reappoint PriceWaterhouseCoopers AS as auditor will be taken to board meeting.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the board

.....  
A J Pearson

Director

Date: 5 September 2024

.....  
K Amundsen

General Manager

Date: 5 September 2024







## TENDEKA AS

### Statement of comprehensive income For the year ended 31 December 2023

	Notes	<u>2023</u> \$	<u>2022</u> \$
<b>Operating revenue</b>			
Revenue	4	45,553,864	45,600,488
Other Income	8	<u>1,874,740</u>	-
<b>Total operating revenue</b>		<u>47,428,604</u>	<u>45,600,488</u>
<b>Operating cost</b>			
Cost of goods sold		(39,237,903)	(39,280,383)
Employee benefits expense	6	(866,098)	(822,536)
Depreciation and amortisation	12, 13, 14	(104,039)	(184,754)
Other operating expenses	5	<u>(3,566,362)</u>	<u>(3,363,774)</u>
<b>Total operating costs</b>		<u>(43,774,402)</u>	<u>(43,651,447)</u>
<b>Operating profit</b>		<u><b>3,654,202</b></u>	<u><b>1,949,041</b></u>
Finance income	9	1,660,229	661,784
Finance costs	10	(414,523)	(249,015)
Foreign exchange gain/(loss)		<u>107,173</u>	<u>(117,221)</u>
<b>Profit before tax</b>		<b>5,007,081</b>	<b>2,244,589</b>
Income tax expense	11	<u>(1,124,769)</u>	<u>(495,213)</u>
<b>Profit for the year</b>		<b>3,882,312</b>	<b>1,749,376</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<u><b>3,882,312</b></u>	<u><b>1,749,376</b></u>

The Company had no other comprehensive income, other than the results from the financial year as set out above.

The above results were derived from continuing operations and are 100% attributable to the owners of the parent.

The accompany notes on pages 11 to 30 are an integral part of these financial statements.



## TENDEKA AS

### Statement of financial position As at 31 December 2023

		<u>2023</u>	<u>2022</u>
	Notes	\$	\$
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	28,203	28,748
Right-of-use assets	13	76,047	114,732
Intangible assets	14	<u>295,254</u>	<u>450,313</u>
		399,504	593,793
<b>Current assets</b>			
Inventories	15	16,667,854	8,083,075
Trade and other receivables	16	10,732,440	15,665,388
Group receivables	17	21,989,508	19,461,666
Contract assets	18	3,406,202	2,167,199
Cash and cash equivalents	19	<u>11,374,892</u>	<u>4,309,018</u>
		64,170,896	49,686,346
<b>Total assets</b>		<b><u>64,570,400</u></b>	<b><u>50,280,139</u></b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued capital	26	25,586	25,586
Share premium		3,044,871	3,044,871
Retained earnings		<u>13,309,490</u>	<u>12,510,384</u>
		16,379,947	15,580,841
<b>Non-current liabilities</b>			
Deferred tax liabilities	11	1,585,178	495,213
Lease liabilities	27	<u>835</u>	<u>48,053</u>
		212,787	543,266
<b>Current liabilities</b>			
Trade and other payables	20	8,642,672	6,956,831
Group payables	21	23,916,824	17,287,937
Lease liabilities	27	55,906	54,972
Contract liabilities	22	8,989,038	4,712,067
Tax (recoverable)/payable		-	144,225
Other loans	23	<u>5,000,000</u>	<u>5,000,000</u>
		46,604,440	34,156,032
<b>Total liabilities</b>		<b><u>48,190,453</u></b>	<b><u>34,699,298</u></b>
<b>Total liabilities and equity</b>		<b><u>64,570,400</u></b>	<b><u>50,280,139</u></b>

The accompany notes on pages 11 to 30 are an integral part of these financial statements.

These financial statements for TendeKa AS Limited (registered in Norway number 884611032) were approved and authorised for issue on 5 September 2024.



**TENDEKA AS**

Statement of financial position (continued)  
As at 31 December 2023

.....  
A J Pearson  
Director

.....  
K Amundsen  
General Manager



## TENDEKA AS

### Statement of changes in equity for the year ended 31 December 2023

	Issued capital	Share premium	Retained earnings	Total
	\$	\$	\$	\$
<b>As at 1 January 2022</b>	<b>25,586</b>	<b>3,044,871</b>	<b>10,761,008</b>	<b>13,831,465</b>
Profit for the year	-	-	1,749,376	1,749,376
<b>At 31 December 2022</b>	<b>25,586</b>	<b>3,044,871</b>	<b>12,510,384</b>	<b>15,580,841</b>
<b>As at 1 January 2023</b>	<b>25,586</b>	<b>3,044,871</b>	<b>12,510,384</b>	<b>15,580,841</b>
Profit for the year	-	-	3,882,312	3,882,312
Group Tax Losses Contribution	-	-	(3,083,206)	(3,083,206)
<b>At 31 December 2023</b>	<b>25,586</b>	<b>3,044,871</b>	<b>13,309,490</b>	<b>16,379,947</b>

The accompany notes on pages 11 to 30 are an integral part of these financial statements.



## TENDEKA AS

### Statement of cash flows For the year ended 31 December 2023

		<u>2023</u>	<u>2022</u>
	Notes	\$	\$
<b>Operating activities</b>			
Profit before tax		5,007,081	2,244,589
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment and right-of-use assets	12, 13	66,092	55,706
Amortisation of intangible assets	14	37,947	129,048
Net foreign exchange differences		(107,173)	32,533
Finance income	9	(1,660,229)	(661,784)
Finance costs	10	414,523	249,015
Loss on disposal of intangible assets	14	106,261	84,688
Impairment/(impairment reversal) of inventories	15	792,285	(101,808)
<b>Movements in working capital:</b>			
Increase in trade receivables and prepayments		4,932,949	(2,360,669)
Decrease/(increase) in group receivables		(2,527,842)	(3,691,968)
Decrease in contract assets		(1,239,003)	(1,857,224)
Increase in inventories		(9,377,064)	(1,628,319)
Increase/(decrease) in trade and other payables		1,681,998	(6,248,022)
Decrease/(increase) in group payables		3,545,681	(494,600)
Increase in contract liabilities		4,276,971	1,207,518
		<b>1,293,710</b>	<b>(10,351,946)</b>
Interest received		1,245,706	415,561
Income tax paid		(179,032)	(502,983)
<b>Net cash flows from/(used in) operating activities</b>		<b>7,017,151</b>	<b>(8,407,381)</b>
<b>Investing activities</b>			
Purchase of intangible assets	14	(14,484)	(22,203)
Purchase of property, plant and equipment	12	10,851	(9,029)
<b>Financing activities</b>			
Payment of principal portion of lease liabilities	27	(54,817)	(56,530)
Proceeds from borrowings		-	4,950,000
Loans to group companies		-	(1,000,000)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>6,958,701</b>	<b>(4,545,143)</b>
Foreign exchange gains on cash and cash equivalents		107,173	44,609
Cash and cash equivalents at 1 January		<u>4,309,018</u>	<u>8,809,552</u>
<b>Cash and cash equivalents at 31 December</b>	<b>19</b>	<b><u>11,374,892</u></b>	<b><u>4,309,018</u></b>



## TENDEKA AS

### Notes to financial statements For the year ended 31 December 2023

#### 1 Company information

Tendeka AS ("the Company") is a private company limited by shares and is registered and incorporated in Norway. The registered office is Moseidveien 1, 4033 Stavanger, Norway and the principal place of business is Moseidveien 1, 4052 Røyneberg, Norway.

The principal activity of the Company is the sale of oil and gas completion products and services. The majority of revenues were generated from the provision of products and services to third parties.

The immediate parent undertaking is Tendeka Limited, a company incorporated in Scotland owning 100% of the shares of Tendeka AS.

The financial statements were approved by the board on 5 September 2024.

#### 2 Significant accounting policies

##### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with IFRS<sup>®</sup> accounting standards as adopted by the EU. This is in conformity with the requirements of the Private Limited Liability Companies Act, based upon Norwegian company law.

The financial statements are presented in US Dollars and all values are rounded to the nearest dollar (\$), except when otherwise indicated. US Dollars (\$), represents both the presentational and functional currency of the Company. Transactions are primarily denominated in US Dollars. See note 2.5.

The financial statements have been prepared on a historical cost basis.

##### New and amended standards and interpretations

The Company has considered all new and amended IFRSs issued by the European Union (EU) that are mandatorily effective for the year ending 31 December 2023. Where the changes affect the Company, the relevant application and disclosure has been made during the year to 31 December 2023. The new and amended IFRSs during the year are as detailed below:

- IFRS 17 Insurance Contracts (effective from annual periods beginning on or after 1 January 2023 with earlier application permitted).
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective from annual years beginning on or after 1 January 2023).
- Amendments to IAS 8: Definition of Accounting Estimates (effective from annual years beginning on or after 1 January 2023).
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective from annual years beginning on or after 1 January 2023).

The application of the above standards has not had any material impact on the accounts. The Company intends to use the practical expedients in future period if they become applicable.

##### Standards issued but not yet effective

The following standards and amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting period beginning on or after 1 January 2024 or later periods, but the Company has not early adopted them:



## TENDEKA AS

### Notes to financial statements (continued) For the year ended 31 December 2023

#### 2 Significant accounting policies (continued)

##### 2.1 Basis of preparation (continued)

- Amendments to IAS 1: Classification of Liabilities as Current or Non-Current (effective from annual years beginning on or after 1 January 2024).
- Amendments to IAS 1: Non-current Liabilities with Covenants (effective from annual years beginning on or after 1 January 2024).
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback (effective from annual years beginning on or after 1 January 2024).

It is not anticipated that the application of the above standards and amendments will have any material impact on the Company's financial statements.

##### 2.2 Going concern

The Board of Directors and the Managing Director confirm that the going concern assumption has been used as a basis for the presentation of the annual registry. In recent years, the Company has had stable development and has all the prerequisites to be able to continue positive development.

##### 2.3 Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

###### *Sale of goods*

The Company expects revenue recognition to occur at a point in time when control of goods is transferred to the customer, generally on collection of the goods by the customer or upon delivery of the goods to the customer. The Company's standard credit terms are 30 days.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer. If the consideration promised in a contract includes a variable amount, the Company must estimate the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to a customer.

###### *Rendering of services*

The Company expects revenue recognition to occur at the point the services are rendered.

###### *Variable consideration*

The Company does not provide its customers with rebates but only the right to return the goods that are sold within a certain period after the initial sale. The Company's management does not expect any significant returns in sales subsequent to the year-end.

###### *Advances received from customers*

When the Company receives revenue in advance of the sale to a customer, this is presented as part of contract liabilities on the statement of financial position.

###### *Principal versus agent*

The Company has concluded that it is acting as principal in all its revenue arrangements as the Company controls the goods before they are transferred to the customer.



## TENDEKA AS

Notes to financial statements (continued)  
For the year ended 31 December 2023

### 2 Significant accounting policies (continued)

#### 2.4 Taxation

##### **Current income tax**

Current tax, including Norwegian and foreign tax is provided on taxable profits at the current rate of taxation.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its result as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be sufficient taxable profits from which the future reversal of the underlying timing difference can be deducted. Deferred tax is measured on a non-discounted basis.

#### 2.5 Foreign currencies

The Company is domiciled in Norway. Transactions and balances are predominantly transacted in US dollars. The parent company Tendeka Limited, has a US dollar functional currency. The Company operates as part of the Tendeka Limited group ("the group") with no autonomy with regard to strategy or operations. The majority of transactions regarding revenues and direct costs are denominated in US dollars hence the functional currency of the Company is US dollars.

Transactions in foreign currencies are recorded in US dollars at the rate of exchange ruling the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the balance sheet date. All subsequent gains or losses are recognised in the statement of comprehensive income. The applicable exchange rates used in preparation of the financial statements were:

	2023	2022
	USD:NOK	USD:NOK
Opening exchange rate	9.85	8.80
Closing exchange rate	10.26	9.85

	2023	2022
	USD:GBP	USD:GBP
Opening exchange rate	1.21	1.35
Closing exchange rate	1.27	1.21

#### 2.6 Property, plant and equipment

Tangible fixed assets and right-of-use assets are stated at cost less depreciation. This is shown in administrative expenses on the face of the Statement of Comprehensive Income on page 6. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:



## TENDEKA AS

### Notes to financial statements (continued) For the year ended 31 December 2023

#### 2 Significant accounting policies (continued)

##### 2.6 Property, plant and equipment (continued)

- Plant and machinery 4 to 7 years
- Fixtures and fittings 4 to 7 years
- Leasehold improvements Over the lease term
- Computer equipment 3 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

##### 2.7 Finance costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Lease costs consist of interest charged on the lease liability relating to the office building. These are expensed in the period which they occur to the Statement of Comprehensive Income.

##### 2.8 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

- Patents and licenses 20 years

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is disposed.



## TENDEKA AS

Notes to financial statements (continued)  
For the year ended 31 December 2023

### 2 Significant accounting policies (continued)

#### 2.9 Financial instruments – initial recognition and subsequent measurement

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially transfers all risks and rewards of the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits.

##### Financial assets

###### Initial recognition and measurement

Financial assets of the Company are initially recognised at fair value. The Company has financial assets in the form of intercompany, trade and other receivables.

###### Subsequent measurement

###### Trade and intercompany receivables

Receivables are carried at the lower of their original invoiced value and recoverable amount. Intercompany receivables have no fixed payment terms but are generally assumed to be due within one year whereas the majority of trade receivables are due within 30 days.

Receivables balances are reviewed regularly, and any doubtful debts are provided for accordingly reducing the receivable balance.

As at 31 December 2023, there are no expected credit loss allowances (2022 - \$nil).

###### Other receivables

The Company has other receivables in the form of VAT recoverable. They are measured at the amount expected to be recovered.

###### Contract assets

Contract assets are recognised if goods sold or services rendered by the Company exceed the payment. They are measured at the amount expected to be recovered.

###### Impairment

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company's provision matrix is zero, as there were no historical credit losses and no forward-looking factors predicted to create credit losses. Details of any expected credit losses from trade receivables are contained in note 16.



## TENDEKA AS

Notes to financial statements (continued)  
For the year ended 31 December 2023

### 2 Significant accounting policies (continued)

#### 2.9 Financial instruments – initial recognition and subsequent measurement (continued)

##### Financial liabilities

##### Initial recognition and measurement

Financial liabilities of the Company are initially recognised at fair value. The Company has financial liabilities in the form of intercompany, trade and other payables and intercompany loans.

##### Subsequent measurement

##### Trade and intercompany payables

Payables continue to be carried at cost. Intercompany payables have no fixed payment terms but are generally assumed to be due within one year whereas the majority of third party payables are due within 30 days.

##### Intercompany loans

Intercompany loans continue to be carried at cost and have no fixed payment terms but are generally assumed to be due within one year.

##### Other payables

The Company has other payables in the form of tax liabilities, which are due fully to the relevant authorities.

#### 2.10 Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Cost comprises purchase price, cost of production, transportation and other directly allocable expenses.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the Statement of Comprehensive Income. Reversals of impairment losses are also recognised in the Statement of Comprehensive Income.

#### 2.11 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

#### 2.12 Pensions and other post-employment benefits

The Company contributes to a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.



## TENDEKA AS

### Notes to financial statements (continued) For the year ended 31 December 2023

#### 3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Directors consider there to be no accounting estimates in regard to these matters. The Directors consider the following judgements to have a significant impact on the financial statements:

#### Valuation of inventory

When calculating the inventory provision, management consider the nature and condition of the inventory as well as applying assumptions around anticipated saleability of finished goods and raw materials. The assessment of net realisable value is performed annually by management, or more frequently if relevant circumstances arise. Refer to note 15.

#### 4 Revenue

The company's revenue, all of which is derived from its principal activity, is achieved in the geographical markets below:

	<u>2023</u>	<u>2022</u>
	\$	\$
Scandinavia	44,914,903	45,600,488
Europe	594,560	-
North America	39,401	-
Middle East	5,000	-
<b>Total revenue from contracts with customers</b>	<b><u>45,553,864</u></b>	<b><u>45,600,488</u></b>

All revenue is recognised at a point in time, being when the customer has paid and taken possession of the goods, or when the goods have been delivered.

Revenue by type is detailed below:

	<u>2023</u>	<u>2022</u>
	\$	\$
Sand & Inflow Control	45,528,135	45,566,183
Zonal isolation	25,729	34,305
<b>Total revenue from contracts with customers</b>	<b><u>45,553,864</u></b>	<b><u>45,600,488</u></b>

Revenues from two customers of the Company represent \$19,563,539 (43%) (2022: \$25,440,162 (56%)) and \$14,062,064 (31%) (2022: \$15,464,653 (34%)) of the Company's total revenues.



## TENDEKA AS

Notes to financial statements (continued)  
For the year ended 31 December 2023

### 5 Other operating expenses

	<u>2023</u>	<u>2022</u>
	\$	\$
Loss on sale of assets	106,261	-
Real estate	32,460	23,191
Travel	8,613	10,908
Entertainment	36,955	5,185
Marketing and promotion	27,176	8,245
Professional fees	126,510	56,916
IT and communications	11,656	7,827
Product development	1,142	2,118
Training	5,023	4,069
Management charges	3,210,566	2,768,608
Other (income)/costs	-	476,707
<b>Total other operating expenses</b>	<b><u>3,566,362</u></b>	<b><u>3,363,774</u></b>

### 6 Employees

	<u>2023</u>	<u>2022</u>
	\$	\$
Wages and salaries	509,653	597,025
Social security costs	140,467	117,335
Other staff costs	215,978	108,176
<b>Total employee benefits expense</b>	<b><u>866,098</u></b>	<b><u>822,536</u></b>

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. At the year end contributions of \$nil (2022: \$nil) were outstanding.

Amounts recharged to the Company for services performed by Directors, paid by other group entities, amounted to \$171,971 (2022: \$454,446).

The average monthly number of persons employed by the Company (including Directors) during the year was as follows:

	<u>2023</u>	<u>2022</u>
Employees	<u>8</u>	<u>7</u>

### 7 Auditor remuneration

	<u>2023</u>	<u>2022</u>
	\$	\$
Audit fees	32,589	27,230
Non-audit fees	-	5,791



## TENDEKA AS

Notes to financial statements (continued)  
For the year ended 31 December 2023

### 8 Other Income

	<u>2023</u>	<u>2022</u>
	\$	\$
Royalty Income	1,874,740	-

### 9 Finance income

	<u>2023</u>	<u>2022</u>
	\$	\$
Interest from group companies	1,512,989	600,652
Bank interest	147,240	61,132
<b>Total finance income</b>	<b><u>1,660,229</u></b>	<b><u>661,784</u></b>

### 10 Finance costs

	<u>2023</u>	<u>2022</u>
	\$	\$
Interest payable to group companies	412,810	246,223
Interest on lease liabilities (Note 27)	1,713	2,792
<b>Total finance costs</b>	<b><u>414,523</u></b>	<b><u>249,015</u></b>

### 11 Taxation

The major components of tax expense for the years ended 31 December 2023 and 2022 are:

#### Profit or loss

	<u>2023</u>	<u>2022</u>
	\$	\$
<b>Current tax:</b>		
Current tax charge	(34,804)	550,860
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	1,089,965	(55,647)
<b>Tax expense reported in the statement of comprehensive income</b>	<b><u>1,124,769</u></b>	<b><u>495,213</u></b>



## TENDEKA AS

Notes to financial statements (continued)  
For the year ended 31 December 2023

### 11 Taxation (continued)

#### Income Tax

Reconciliation of tax expense and the accounting profit multiplied by Norway's domestic tax rate for 2022 and 2023:

	<u>2023</u>	<u>2022</u>
	\$	\$
Accounting profit before tax	5,007,081	2,244,589
At Norway's statutory income tax rate of 22% (2022: 22%)	1,101,558	494,176
Tax effect from Permanent differences	101,091	1,037
Adjustment in respect of prior years deferred tax	224,468	-
Effect of group tax contribution	(453,837)	-
Adjustment in respect of prior years	151,490	-
<b>Tax expense reported in the statement of comprehensive income</b>	<b><u>1,124,769</u></b>	<b><u>495,213</u></b>

#### Deferred Tax Liabilities

	<u>2023</u>	<u>2022</u>
	\$	\$
<b>At 1 January</b>	495,213	-
Movement for the year	1,089,965	495,213
<b>At 31 December</b>	<b><u>1,585,178</u></b>	<b><u>495,213</u></b>

The Norwegian deferred tax balances as at 31 December 2023 have been measured at 22%.

#### Deferred Tax Temporary Differences

	<u>2023</u>	<u>2022</u>	<u>Change</u>
			\$
Inventory	(874,650)	(79,814)	794,836
Leasing	19,305	5,925	(13,380)
Fixed Assets	(108,075)	(114,184)	(6,108)
Effect from group contribution 2022	(6,241,932)	(2,062,895)	4,179,037
<b>Total Temporary Differences</b>	<b><u>(7,205,352)</u></b>	<b><u>(2,250,968)</u></b>	<b><u>4,954,384</u></b>
Deferred Tax recognized	(1,585,178)	(495,213)	(1,089,965)



## TENDEKA AS

### 12 Property, plant and equipment

	Plant and machinery	Fixtures and Fittings	Leasehold improvements	Computer equipment	Total
	\$	\$	\$	\$	\$
<b>Cost</b>					
At 1 January 2023	154,692	31,301	6,264	67,538	259,795
Additions	-	8,249	-	6,234	14,483
Disposals	-	(2,617)	-	-	(2,617)
<b>At 31 December 2023</b>	<b>154,692</b>	<b>36,933</b>	<b>6,264</b>	<b>73,772</b>	<b>271,661</b>
<b>Depreciation</b>					
At 1 January 2023	143,767	20,058	3,410	63,812	231,047
Depreciation charge for the year	4,434	3,340	797	3,840	12,411
<b>At 31 December 2023</b>	<b>148,201</b>	<b>23,398</b>	<b>4,207</b>	<b>67,652</b>	<b>243,458</b>
<b>Net book value</b>					
At 31 December 2023	6,491	13,535	2,057	6,120	28,203
At 31 December 2022	10,925	11,243	2,854	3,726	28,748

### 13 Right-of-use-asset

	Office building \$
<b>Cost</b>	
At 1 January 2023	234,576
Modification	14,995
<b>At 31 December 2023</b>	<b>249,571</b>
<b>Depreciation</b>	
At 1 January 2023	119,843
Depreciation charge for the year	53,681
<b>At 31 December 2023</b>	<b>173,524</b>
<b>Net book value</b>	
At 31 December 2023	76,047
At 31 December 2022	114,732



## TENDEKA AS

Notes to financial statements (continued)  
For the year ended 31 December 2023

### 14 Intangible assets

	<u>Patents and licences</u>
	\$
<b>Cost</b>	
At 1 January 2023	702,870
Cost of disposals	<u>(196,905)</u>
<b>At 31 December 2023</b>	<u><b>505,965</b></u>
<b>Amortisation</b>	
At 1 January 2023	252,557
Amortisation	37,947
Amortisation eliminated on disposals	<u>(79,793)</u>
<b>At 31 December 2023</b>	<u><b>210,711</b></u>
<b>Net book value</b>	
At 31 December 2023	<u>295,254</u>
At 31 December 2022	<u>450,313</u>

The remaining amortisation period of patents and licences is 9.1 years (2022 - 10.1 years).

The loss on disposal of intangibles in the year of \$117,112 is due to patents now being removed from the register which have lapsed or no longer valid.

### 15 Inventories

	<u>2023</u>	<u>2022</u>
	\$	\$
Raw materials	1,324,055	768,110
Work in progress	2,347,270	1,213,326
Finished goods	12,506,913	3,313,239
Inventories in transit	<u>489,616</u>	<u>2,788,400</u>
	<u><b>16,667,854</b></u>	<u><b>8,083,075</b></u>

#### Inventory movement

	<u>2023</u>	<u>2022</u>
	\$	\$
As at January	8,083,075	6,352,948
Purchased in the year	28,460,353	26,763,217
Sold in the year	(20,177,514)	(25,773,907)
Movement in work in progress	1,133,944	639,009
Stock impairments in the year	(39,719)	101,808
Movement in stock provision	<u>(792,285)</u>	-
<b>As at 31 December</b>	<u><b>16,667,854</b></u>	<u><b>8,083,075</b></u>

The cost of inventory is calculated using the first in, first out method.



## TENDEKA AS

Notes to financial statements (continued)  
For the year ended 31 December 2023

### 15 Inventories (continued)

During 2023, inventory impairments of \$39,719 (2022: impairment reversals of \$101,808) were recognised within cost of goods sold.

As at 31 December 2023, the Company had an inventory provision of \$874,650 (2022: \$82,365).

Cost of goods sold includes the physical inventory cost given above, as well as the royalty payments to Group (see note 28) and the costs related to the profit sharing agreement with a service provider

### 16 Trade and other receivables

	<u>2023</u>	<u>2022</u>
	\$	\$
Trade receivables	8,197,777	8,820,087
VAT recoverable	283,033	129,318
Prepayments	2,251,630	6,715,983
	<u>10,732,440</u>	<u>15,665,388</u>

The Directors consider that the carrying value of trade and other receivables are approximate to their fair value due to their short-term nature.

As at 31 December 2023, there are no expected credit loss allowances (2022: \$nil).

### 17 Group receivables

	<u>2023</u>	<u>2022</u>
	\$	\$
Amounts due from group entities (Note 28)	21,989,508	19,461,666
	<u>21,989,508</u>	<u>19,461,666</u>

Amounts due from group entities are unsecured, repayable on demand and accrue interest at 3% per annum.



## TENDEKA AS

### Notes to financial statements (continued) For the year ended 31 December 2023

	<u>2023</u>	<u>2022</u>
--	-------------	-------------

#### 18 Contract assets

As at 31 December 2023, the Company has contract assets of \$3,406,202 (2022: \$2,167,199).

Set out below is the reconciliation of movements in contract assets during the current and prior year:

	<u>2023</u>	<u>2022</u>
	\$	\$
As at 1 January	2,167,199	309,975
Additions	33,073,086	30,648,187
Transfer to trade receivables	<u>(31,834,083)</u>	<u>(28,790,963)</u>
<b>As at 31 December</b>	<b><u>3,406,202</u></b>	<b><u>2,167,199</u></b>

#### 19 Cash and cash equivalents

	<u>2023</u>	<u>2022</u>
	\$	\$
Cash at bank and on hand	<u>11,374,892</u>	<u>4,309,018</u>

At 31 December 2023, \$86,014 was held in a Norwegian employee withholding tax account (2022: \$94,636).

#### 20 Trade and other payables

	<u>2023</u>	<u>2022</u>
	\$	\$
Trade payables	3,682,697	1,253,228
Other tax and social security	111,053	68,327
Other payables	4,578,307	5,366,077
Accruals	<u>270,615</u>	<u>269,199</u>
	<b><u>8,642,672</u></b>	<b><u>6,956,831</u></b>

Trade payables, other payables and accruals are classified as financial liabilities, with their carrying amount approximating to their fair value due to their short-term nature.

At the 31 December 2023, other payables included goods received but not invoiced of \$2,173,467 (2022: \$2,585,252).



## TENDEKA AS

Notes to financial statements (continued)  
For the year ended 31 December 2023

### 21 Group payables

	<u>2023</u>	<u>2022</u>
	\$	\$
Amounts due to group entities (note 28)	23,916,824	17,287,937
	<u>23,916,824</u>	<u>17,287,937</u>

Amounts due to group entities are unsecured, repayable on demand and accrue interest at 3% per annum.

### 22 Contract liabilities

As at 31 December 2023, the Company has contract liabilities of \$8,989,038 (2022: \$4,712,067).

Set out below is the reconciliation of movements in contract liabilities during the current and prior year:

	<u>2023</u>	<u>2022</u>
	\$	\$
<b>At 1 January</b>	<b>4,712,067</b>	<b>3,504,549</b>
Payments received in advance	11,547,766	6,326,269
Transfer to revenue	<u>(7,270,795)</u>	<u>(5,118,751)</u>
<b>At 31 December</b>	<b><u>8,989,038</u></b>	<b><u>4,712,067</u></b>

### 23 Borrowings

	<u>2023</u>	<u>2022</u>
	\$	\$
Other loans (current)	5,000,000	5,000,000

Other loans relates to an advanced payment received from a customer in connection with the preparation of inventory. This is repayable to the customer upon termination of the sales contract, and as such is repayable on demand with a current liability classification. The loan is unsecured and does not accrue interest.



## TENDEKA AS

Notes to financial statements (continued)  
For the year ended 31 December 2023

### 24 Reconciliation of net debt

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's cash flow statement as cash flows from financing activities.

	As at 1 January 2023	Cash flows	Non-cash movements	As at 31 December 2023
	\$	\$	\$	\$
Cash and cash equivalents	4,309,018	6,958,701	107,173	11,374,892
Amounts due to group entities	(17,287,937)	(3,545,681)	(3,083,206)	(23,916,824)
Other loans	(5,000,000)	-	-	(5,000,000)
Lease liabilities	(103,025)	54,817	(8,533)	(56,741)
Net debt	(18,081,944)	3,467,837	(2,984,566)	(17,598,673)
	As at 1 January 2022	Cash flows	Non-cash movements	As at 31 December 2022
	\$	\$	\$	\$
Cash and cash equivalents	8,809,552	(4,500,534)	-	4,309,018
Amounts due to group entities	(17,782,537)	1,000,000	(505,400)	(17,287,937)
Other loans	(5,000,000)	-	-	(5,000,000)
Lease liabilities	(166,381)	56,530	6,826	(103,025)
Net debt	(14,139,366)	(3,444,004)	(498,574)	(18,081,944)

### 25 Financial assets and financial liabilities

#### 25.1 Financial assets at amortised cost

	2023	2022
	\$	\$
Trade receivables	8,197,777	8,820,087
Amounts due from group entities	21,989,508	19,461,666
Contract assets	3,406,202	2,167,199
Cash and cash equivalents	11,374,892	4,309,018
	<b>44,968,379</b>	<b>34,757,970</b>



## TENDEKA AS

Notes to financial statements (continued)  
For the year ended 31 December 2023

### 25 Financial assets and financial liabilities (continued)

#### 25.2 Financial liabilities at amortised cost

	<u>2023</u>	<u>2022</u>
	\$	\$
Trade payables	(3,682,697)	(1,253,228)
Amounts due to group entities	(23,916,824)	(17,287,937)
Other payables	(4,578,307)	(5,366,077)
Lease liabilities	(56,741)	(103,025)
Other loans (current)	<u>(5,000,000)</u>	<u>(5,000,000)</u>
	<u><b>(37,234,569)</b></u>	<u><b>(29,010,267)</b></u>

#### 25.3 Financial instruments risk management objectives and policies

The Company's operations expose it to a variety of financial risks that include the effects of changes in foreign exchange risk, credit risk, liquidity risk and interest rate risk. Tendeka AS operates a risk management programme that seeks to limit potential adverse effects on its financial performance by monitoring levels of debt finance and the related finance costs. Tendeka AS Limited does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied. Given the size of the Company, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the Group and Directors are implemented by the Company's finance department.

##### Capital management

Overall capital management is performed at the Tendeka Group level. The Company's capital includes issued share capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value and to safeguard the ability of the Company as a going concern.

Any additional capital funding requirements would be considered in the context of the Group requirements and economic conditions.

##### Foreign currency risk

The Company is exposed to foreign currency risk as a result of its operations. However, given the size of the Company's operations, the costs of managing exposure to foreign exchange risk exceed any potential benefits. The Directors will revisit the appropriateness of this policy should the Company's operations change in size or nature. The Company also incurs foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than USD. The currencies giving rise to this are primarily Euros, Norwegian Kroner and Sterling. No formal hedging policy is in place.

##### Liquidity risk

The Company has access to short-term debt finance that is designed so the Company has sufficient available funds for operations. The Company is currently operating with a significant cash balance.



## TENDEKA AS

Notes to financial statements (continued)  
For the year ended 31 December 2023

### 25 Financial assets and financial liabilities (continued)

#### 25.3 Financial instruments risk management objectives and policies (continued)

##### Credit risk

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to business customers, including outstanding receivables and committed transactions. If customers are independently rated, these ratings are used. If there is no independent rating, finance management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

##### Interest rate and cash flow risk

The Company incurs interest rate risk on interest-bearing receivables and cash and on interest-bearing non-current and current liabilities (including borrowings). The majority of Company borrowings are current and have fixed interest rates.

### 26 Issued capital and reserves

#### Ordinary shares authorised, issued and fully paid

The Company's share capital is NOK 171,428 divided into 342,857 shares at NOK 0.50. The share capital is divided into 316,857 A shares and 26,000 B shares. The B shares do not have voting rights, but are otherwise equal to A shares in terms of other rights.

### 27 Leases

#### Company as a lessee

The Company has a lease contract for the office premises, which has a lease term of 5 years ending 31 May 2025. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	<u>2023</u>	<u>2022</u>
	\$	\$
<b>As at 1 January</b>	<b>103,025</b>	<b>166,381</b>
Accretion of interest	1,713	2,792
Payments	(56,530)	(56,530)
Modification	14,995	5,818
Foreign exchange differences	(6,462)	(15,436)
<b>As at 31 December</b>	<b>56,741</b>	<b>103,025</b>

The maturity analysis of lease liabilities is:

	<u>2023</u>	<u>2022</u>
	\$	\$
Less than one year	55,906	54,972
Between two and five years	835	48,053
	<u>56,741</u>	<u>103,025</u>

The following are the amounts recognised in profit or loss:



## TENDEKA AS

Notes to financial statements (continued)  
For the year ended 31 December 2023

### 27 Leases (continued)

Company as a lessee (continued)

	<u>2023</u>	<u>2022</u>
	\$	\$
Depreciation expense of right-of-use assets	53,681	47,475
Interest expense on lease liabilities	1,713	2,792
	<u>55,394</u>	<u>50,267</u>

The Company had total cash outflows for leases of \$56,530 in 2023 (\$56,530 in 2022).

### 28 Related party disclosures

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

	<u>2023</u>	<u>2022</u>
	\$	\$
<b>Tendeka B.V.</b>		
Sale of goods	-	80,976
Purchases of goods	(204,814)	(27,302)
Intercompany borrowing costs	(70,830)	-
Intercompany borrowing income	1,119,121	600,561
Management services	(217,386)	(322,866)
Royalty payments	(1,965,000)	(2,158,850)
Amounts owed by related party	19,006,967	19,461,666
Amounts owed to related parties	(3,027,718)	-
<b>Swellfix UK Limited</b>		
Sale of goods	594,560	-
Purchases of goods	(398,483)	(855,821)
Intercompany borrowing costs	(242,030)	(246,233)
Intercompany borrowing income	492,197	-
Management services	2,838,656	2,584,173
Royalty payments	(12,629,815)	(7,200,188)
Amounts owed by related party	2,922,079	-
Amounts owed to related parties	(17,709,953)	(17,287,937)
<b>Tendeka Inc</b>		
Sale of goods	39,401	-
Purchase of goods	(34,057)	-
Intercompany borrowing income	882	-
Amounts owed by related party	60,462	-



## TENDEKA AS

Notes to financial statements (continued)  
For the year ended 31 December 2023

### 28 Related party disclosures (continued)

	<u>2023</u>	<u>2022</u>
	\$	\$
<b>Tendeka Oil and Gas DMCC</b>		
Purchase of goods	(1,100)	-
Intercompany borrowing costs	(748)	-
Management Services	(94,099)	-
Amounts owed to related parties	(95,947)	-
<b>Target Intervention AS</b>		
Group Tax losses contribution	(3,083,206)	-
Amounts owed to related parties	(3,083,206)	-

#### *Terms and conditions of transactions with related parties*

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

#### **Compensation of key management personnel of the Company**

During the year the key management personal were the Directors. The remuneration paid to the Directors is disclosed in note 6.

There are no loans or guarantees given to the Directors of the Company during 2023 or 2022.

### 29 Controlling party

The immediate parent undertaking is Tendeka Limited, a company incorporated in Scotland owning 100% of the shares of Tendeka AS.

Tendeka Limited is the smallest group that prepares consolidated financial statements that include the results of this company. At the date of the statement of financial position the directors considered the ultimate controlling party to be Industrialization & Energy Services Company CJSC (TAQA).

Tendeka AS is part of the Tendeka Limited Group and consolidated financial statements will be made public at Companies House.

### 30 Events after the reporting period

There are no material subsequent events that require disclosure in these financial statements.



Skatteetaten

Vår dato 16.01.2024	Din/Deres dato 22.12.2023	Saksbehandler Lars Waalorp
800 80 000 Skatteetaten.no	Din/Deres referanse	Telefon 90833418
Org.nr 974761076	Vår referanse 2024/5017283	Postadresse Postboks 9200 Grønland 0134 OSLO

TENDEKA AS  
Att.Erik Braut  
Moseidveien 1  
4033 STAVANGER  
Norge

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Tendeke AS, org.nr. 884 611 032

Vi viser til deres brev av 22. desember 2023 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Tendeke AS.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Tendeke AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

### Bakgrunn

Tendeke AS er eid av et utenlandsk selskap og er en del av et internasjonalt konsern. Selskapet har som formål:

«Totalleverandør av tjenester og produkter innenfor alle fagområder som har tilknytning til drift og vedlikehold av olje- og gassproduksjonsanlegg til havs, samt delta i selskaper med lignende virksomhet.»

Styrelederen i selskapet er utenlandsk.

### Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved [...] enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:



"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapet er direkte eid av et utenlandsk selskap og er en del av et internasjonalt konsern. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waaltorp  
Skatteetaten

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.*



To the General Meeting of Tendeka AS

## Independent Auditor's Report

### Opinion

We have audited the financial statements of Tendeka AS (the Company), which comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion the financial statements comply with applicable statutory requirements, and the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Matters

The Company's financial statements have been submitted after the expiry of the statutory time limit for preparation of financial statements.

### Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Stavanger, 5 September 2024  
**PricewaterhouseCoopers AS**

Roy Henrik Heggelund  
State Authorised Public Accountant  
(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning - Tendeka AS

**Signers:**

<b>Name</b>	<b>Method</b>	<b>Date</b>
Heggelund, Roy Henrik	BANKID	2024-09-10 13:41

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